

## Miscellaneous Tax Proposals

\*\*\*property tax\*\*\*

Sec. 1. 32 V.S.A. §3436 is amended to read:

### § 3436. Assessment education

(a) The director shall provide an assessment education program for municipal listers and assessors at convenient times and places during the year and is authorized to contract with one or more persons to provide part or all of the assessment instruction. On an annual basis, the director shall provide, to the extent allowed by available resources, instruction in lister duties, property inspection, data collection, valuation methods, mass appraisal techniques, and property tax administration.

(b) The director shall ~~determine~~ establish designations recognizing levels of achievement and the necessary course work or evaluation of equivalent experience required for to attain each designation as Vermont lister/assessor, Vermont property evaluator, and Vermont municipal assessor. Designation for any one level shall be for a period of three years.

(c) Designation obtained under subsection (b) of this section may be renewed for three-year periods upon completion of requirements as determined by the director.

(d) The director shall also notify all towns annually of any new approaches which the division of property valuation and review is aware of for obtaining or performing mass reappraisals and for grand list maintenance.

Sec. 2. REPEAL

32 V.S.A. § 3802(18) is repealed.

Sec. 3. 32 V.S.A. § 3839 is added to read:

### § 3839. MUNICIPALLY OWNED LAKESHORE PROPERTY

(a) Notwithstanding section 3659 of this title, a town may vote to exempt from its municipal taxes, in whole or in part, any parcel of land, but not buildings, that provides public access to public waters, as defined in 10 V.S.A. § 1422(6), and that is also:

(1) owned by the Town of Hardwick, and located in Greensboro, Vermont; or

(2) owned by the Town of Thetford, and located in Fairlee and West Fairlee, Vermont.

(b) An exemption voted by a town under subsection (a) of this section shall be for up to ten years. Upon the expiration of the exemption, a town may vote additional periods of exemption not exceeding five years each.

Sec. 4. 32 V.S.A. § 5401(10)(K) is added to read:

(K) Any parcel of land, but not buildings, that provides public access to public waters, as defined in 10 V.S.A. § 1422(6), and that is also:

(i) owned by the Town of Hardwick, and located in Greensboro, Vermont; or

(ii) owned by the Town of Thetford, and located in Fairlee and West Fairlee, Vermont.

Sec. 5. 5408(a) is amended to read:

(a) Not later than ~~30~~ 35 days after ~~the receipt by its clerk~~ mailing of a notice under section 5406 of this title, a municipality may petition the director of the division of property valuation and review for a redetermination of the municipality's equalized education property value and coefficient of dispersion. Such petition shall be in writing and shall be signed by the chair of the legislative body of the municipality or its designee.

Sec. 6. 32 V.S.A. § 5410(i) is amended to read:

(i) An owner filing a new or corrected declaration, or rescinding an erroneous declaration, after ~~September 1~~ October 15 shall not be entitled to a refund resulting from the correct property classification; and any additional property tax and interest which would result from the correct classification shall not be assessed as tax and interest, but shall instead constitute an additional penalty, to be assessed and collected in the same manner as penalties under subsection (g) of this section. Any change in property classification under this subsection shall not be entered on the grand list.

Sec. 7. 32 V.S.A. § 5410(g) is amended to read:

(g) If the property identified in a declaration under subsection (b) of this section is not the taxpayer's homestead, or if the owner of a homestead fails to declare a homestead as required under this section, the Commissioner shall notify the municipality, and the municipality shall issue a corrected tax bill that may include a penalty. If the property incorrectly declared as a homestead is located in a municipality that has a lower homestead tax rate than the nonresidential tax rate, the penalty shall be an amount equal to eight percent of the education tax on the property, but if the homestead tax rate is higher than the nonresidential tax rate, the penalty shall be in an amount equal to three percent of the education tax on the property. If an undeclared homestead is located in a municipality that has a lower nonresidential tax rate than the homestead tax rate, the penalty shall be eight percent of the education tax liability on the property, but if the nonresidential tax rate is higher than the homestead tax rate, then the penalty shall be in an amount equal to three percent of the education tax on the property. If the

Commissioner determines that the declaration or failure to declare was with fraudulent intent, then the municipality shall assess the taxpayer a penalty in an amount equal to 100 percent of the education tax on the property; plus any interest and late-payment fee or commission which may be due. Any penalty imposed under this section and any additional property tax interest and late-payment fee or commission shall be assessed and collected by the municipality in the same manner as a property tax under chapter 133 of this title. Notwithstanding section 4772 of this title, issuance of a corrected bill issued under this section does not extend the time for payment past the original due date or alter the amount shown as due on the original bill. Any overpayment shall be reflected on the corrected tax bill.

\*\*\*income tax\*\*\*

Sec 8. 32 V.S.A. § 5862f is added to read:

**§ 5862f. Filing of federal form 1099K**

Any individual or business required to file information returns pursuant to 26 U.S.C. §6050W shall within thirty days of the date the filing is due to the Internal Revenue Service file with the Commissioner a duplicate of such information returns on which the recipient has a Vermont address. The commissioner may authorize electronic filing of the form.

Sec. 9. 32 V.S.A. § 5870 is amended to read:

**§ 5870. Reporting use tax on individual income tax returns**

The Commissioner of Taxes shall provide that individuals report use tax on their State individual income tax returns. Taxpayers are required to attest to the amount of their use tax liability under chapter 233 of this title for the period of the tax return. Alternatively, they may elect to report an amount that is 0.08 percent of their Vermont adjusted gross income, as shown on a table published by the Commissioner of Taxes; ~~and provided however that~~ use tax liability arising from the purchase of each item with a purchase price in excess of \$1,000.00 shall be added to the table amount and further provided that tax due with respect to items with a purchase price of \$5000 or more must be reported and remitted by the 25th day of the month following the month of purchase.

**Sec. 10. Flood related payment**

Notwithstanding that the credit for qualified expenditures resulting from damage caused by a federally declared disaster in Vermont in 2011 authorized by 32 V.S.A. § 5930bb(d) is limited to individuals, a payment not to exceed \$88,800 may be made to the Latchis Arts, Inc. for flood damage expenditures that would qualify under section 5930bb if made by an individual.

\*\*\*corporate income tax\*\*\*

Sec. 11. 32 V.S.A. § 5862(c) is amended to read:

## § 5862. Returns by corporations

(c) Taxable corporations which received any income allocated or apportioned to this state under the provisions of section 5833 of this title for the taxable year and which under the laws of the United States constitute an affiliated group of corporations may elect to file a consolidated return in lieu of separate returns if such corporations qualify and elect to file a consolidated federal income tax return for that taxable year. Such an election to file a Vermont consolidated return shall continue for five years including the year the election is made.

Sec. 12. 32 V.S.A. § 5930b(c)(9) is amended to read:

(9) Incentive claims must be filed annually no later than the last day of April of ~~each the~~ current year of the ~~for the prior year's~~ utilization period. For a claim to be considered a timely filing and eligible for an incentive payment, all forms and workbooks must be complete and all underlying documentation, such as that required pursuant to subsection 5842(b) of this title, must be filed with the Department of Taxes. Incomplete claims may be considered to have been timely filed if a complete claim is filed within the time prescribed by the Department of Taxes. If a claim is not filed each year of the utilization period, any incentive installment previously paid shall be recaptured in accordance with subsection (d) of this section and upon notice from the Department of Taxes that the business failed to file a complete a timely claim, the Vermont Economic Progress Council shall revoke all authority for the business to earn and claim incentives under this subchapter. The incentive return shall be subject to all provisions of this chapter governing the filing of tax returns. No interest shall be paid by the Department of Taxes for any reason with respect to incentives allowed under this section.

\*\*\*downtown credit expansion\*\*\*

Sec. 13. 32 V.S.A. § 5930ee is amended to read:

### § 5930ee. Limitations

Beginning in fiscal year 2010 and thereafter, the State Board may award tax credits to all qualified applicants under this subchapter, provided that:

(1) The total amount of tax credits awarded annually, together with sales tax reallocated under section 9819 of this title, does not exceed ~~\$1,700,000.00~~ 2,200,000.00.

(2) A total annual allocation of no more than 30 percent of these tax credits in combination with sales tax reallocation may be awarded in connection with all of the projects in a single municipality.

(3) Façade tax credits shall not be available for projects that qualify for the federal rehabilitation tax credit.

(4) No credit shall be allowed under this subchapter for the cost of acquiring any building or interest in a building.

(5) Credit under any one subsection of 5930cc of this subchapter may not be allocated more often than once every two years with respect to the same building.

(6) Credit awarded under section 5930cc of this subchapter that is rescinded or recaptured by the State Board shall be available for the State Board to award to applicants in any subsequent year, in addition to the total amount of tax credits authorized under this section.

\*\*\*property tax adjustments\*\*\*

Sec. 14. 32 V.S.A. §6065 is amended to read:

**§ 6065. Forms; tables; notices**

(a) In administering this chapter, the commissioner shall provide suitable claim forms with tables of allowable claims, instructions and worksheets for claiming a homestead property tax adjustment.

(b) Prior to June 1, the commissioner shall also prepare and ~~supply to each town in the state~~ distribute to each town in such manner as the Commissioner deems appropriate a notices describing the homestead property tax adjustment, for inclusion in property tax bills. A town shall include such notice in each tax bill and notice of delinquent taxes which it mails to taxpayers who own in that town a homestead as defined in subdivision 5401(7) of this title.

(c) Notwithstanding the provisions of subsection (b) of this section, towns which use envelopes or mailers not able to accommodate notices describing the homestead tax adjustment may distribute such notices in an alternative manner.

Sec. 15. 32 V.S.A. § 6066a(f) is amended to read:

(f) Property tax bills.

(1) For taxpayers and amounts stated in the notice to towns on July 1, municipalities shall create and send to taxpayers a homestead property tax bill, instead of the bill required under subdivision 5402(b)(1) of this title, providing the total amount allocated to payment of homestead education property tax liabilities and notice of the balance due. Municipalities shall apply the amount allocated under this chapter to current-year property taxes in equal amounts to each of the taxpayers' property tax installments that include education taxes. If a town issues a corrected bill as a result of the November 1 notice sent by the Commissioner under subdivision (a) of this section, issuance of such corrected new bill does not extend the time for payment past the original due date notwithstanding section 4772 of this title or alter the amount shown as due on the original bill. Any overpayment shall be reflected on the corrected tax bill.

(2) For property tax adjustment amounts for which municipalities receive notice ~~on or~~ after November 1, municipalities shall issue a new homestead property tax bill with notice to the taxpayer of the total amount allocated to payment of homestead property tax liabilities and notice of the balance due.

(3) The property tax adjustment amount determined for the taxpayer shall be allocated first to current-year property tax on the homestead parcel, next to current-year homestead parcel penalties and interest, next to any prior year homestead parcel penalties and interest, and last to any prior year property tax on the homestead parcel. No adjustment shall be allocated to a property tax liability for any year after the year for which the claim or refund allocation was filed. No municipal tax-reduction incentive for early payment of taxes shall apply to any amount allocated to the property tax bill under this chapter.

(4) If the property tax adjustment amount as described in subsection (e) of this section exceeds the property tax, penalties, and interest, due for the current and all prior years, the municipality shall refund the excess to the taxpayer, without interest, within 20 days of the first date upon which taxes become due and payable or 20 days after notification of the adjustment amount by the Commissioner of Taxes, whichever is later.

\*\*\*cigarettes and tobacco\*\*\*

Sec. 16. 32 V.S.A. § 7734 is amended to read:

**§ 7734. Penalties for sales without license**

Any licensed wholesale dealer who shall sell, offer for sale, or possess with intent to sell any cigarettes, roll-your-own tobacco, little cigars, snuff, new smokeless tobacco, or other tobacco products, or both any combination thereof, without having first obtained a license as provided in this subchapter shall be fined not more than \$25.00 for the first offense and not more than \$200.00 nor less than \$25.00 for each subsequent offense.

Sec. 17. 32 V.S.A. § 7771(b) is amended to read:

(b) Payment of the tax on cigarettes under this section shall be evidenced by the affixing of stamps to the packages containing the cigarettes. Where practicable, the Commissioner may also require that stamps be affixed to packages containing little cigars or roll-your-own tobacco. Any cigarette, little cigar, or roll-your-own tobacco on which the tax imposed by this section has been paid, such payment being evidenced by the affixing of such stamp or such evidence as the Commissioner may require, shall not be subject to a further tax under this chapter. Nothing contained in this chapter shall be construed to impose a tax on any transaction the taxation of which by this State is prohibited by the constitution of the United States. The amount of taxes advanced and paid by a licensed wholesale dealer ~~or a retail dealer~~ as herein provided shall be added to and collected as part of the retail sale price on the cigarettes, little cigars, or roll-your-own tobacco.

Sec. 18. 32 V.S.A. § 7772 is amended to read:

**§ 7772. Form and sale of stamps**

(a) The Commissioner shall secure stamps of such designs and denominations as he or she shall prescribe to be affixed to packages of cigarettes as evidence of the payment to the tax imposed by this chapter. The Commissioner shall sell such stamps to licensed wholesale dealers ~~and retail dealers~~ at a discount of two and three-tenths percent of their face value for payment at time of sale.

(b) At the purchaser's request, the Commissioner may sell stamps to be affixed to packages of cigarettes as evidence of the payment to the tax imposed by this chapter to licensed wholesale dealers ~~and retail dealers~~ for payment within 10 days, at a discount of one and five-tenths percent of their face value if timely paid. In determining whether to sell stamps for payment within 10 days, the Commissioner shall consider the credit history of the dealer; and the filing and payment history, with respect to any tax administered by the Commissioner, of the dealer or any individual, corporation, partnership, or other legal entity with which the dealer is or was associated as principal, partner, officer, director, employee, agent, or incorporator.

(c) The Commissioner shall keep accurate records of all stamps sold to each wholesale dealer ~~and retail dealer~~, and shall pay over all receipts from the sale of stamps to the state treasurer.

Sec. 19. 32 V.S.A. § 7773 is amended to read:

**§ 7773. Use and redemption of stamps**

No licensed wholesale dealer ~~or retail dealer~~ shall sell or transfer any stamps issued under the provisions of this chapter. The Commissioner shall redeem at the amount paid therefor by the licensed wholesale or retail dealer any unused stamps issued under the provisions of this chapter, which are presented to him or her at his or her office in Montpelier.

Sec. 20. 32 V.S.A. § 7775 is amended to read:

**§ 7775. ~~Retailers~~ Retail dealers**

Within 24 hours after coming into possession of any cigarettes not bearing proper stamps evidencing payment of the tax imposed by this chapter and before selling the same, each retail dealer shall affix or cause to be affixed stamps of the proper denomination to each individual package of cigarettes as required by section 7771 of this title and in such manner as the commissioner may specify in regulations issued pursuant to this chapter.

Sec. 21. 32 V.S.A. § 7777 is amended to read:

**§ 7777. Records required; inspection and examination; assessment of tax deficiency**

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(d) If a licensed wholesale dealer ~~or retail dealer~~ has failed to timely pay for stamps obtained for payment within 10 days or to pay the tax imposed on roll-your-own tobacco, the dealer shall be subject to assessment, collection, and enforcement in the same manner as provided under subchapter 4 of this chapter.

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Sec. 22. 32 V.S.A. § 7812 is amended to read:

**§ 7812. Liability for and collection of tax**

The ~~distributor~~ licensed wholesale dealer shall be liable for the payment of the tax on tobacco products which he or she imports or causes to be imported into the state, or which he or she manufactures in this state, and every ~~distributor~~ licensed wholesale dealer authorized by the commissioner to make returns and pay the tax on tobacco products sold, shipped, or delivered by him or her to any person in the state, shall be liable for the collection and payment of the tax on all tobacco products sold, shipped or delivered. Every retail dealer shall be liable for the collection of the tax on all tobacco products in his or her possession at any time, upon which the tax has not been paid by a ~~distributor~~ licensed wholesale dealer and the failure of any retail dealer to produce and exhibit to the commissioner or his or her authorized representative, upon demand, an invoice by a ~~distributor~~ licensed wholesale dealer for any tobacco products in his or her possession, shall be presumptive evidence that the tax thereon has not been paid and that such retail dealer is liable for the collection of the tax thereon. The amount of taxes advanced and paid by a ~~distributor~~ licensed wholesale dealer or retail dealer as hereinabove provided shall be added and collected as part of the sales price of the tobacco products.

Sec. 23. 32 V.S.A. § 7813 is amended to read:

**§ 7813. Returns and payment of tax by ~~distributor~~ licensed wholesale dealer**

Every ~~distributor~~ licensed wholesale dealer shall, on or before the 15th day of each month, file with the commissioner a return on forms to be prescribed and furnished by the commissioner, showing the quantity and wholesale price of all tobacco products sold, shipped or delivered by him or her to any person in the state during the preceding calendar month. Such returns shall contain such further information as the tax commissioner may require. Every ~~distributor~~ licensed wholesale dealer shall pay to the commissioner with the filing of such return, the tax on tobacco products for such month imposed under this subchapter. When the ~~distributor~~ licensed wholesale dealer files the return and pays the tax within the time specified in this section, he or she may deduct therefrom two percent of the tax due.

Sec. 24. 32 V.S.A. § 7814 is amended to read:

**§ 7814. Floor stock tax**



(a) Snuff. A floor stock tax is hereby imposed upon every ~~retailer~~ retail dealer of snuff in this State in the amount by which the new tax exceeds the amount of the tax already paid on the snuff. The tax shall apply to snuff in the possession or control of the ~~retailer~~ retail dealer at 12:01 a.m. o'clock on July 1, 2006, but shall not apply to ~~retailers~~ retail dealers who hold less than \$500.00 in wholesale value of such snuff. Each ~~retailer~~ retail dealer subject to the tax shall, on or before July 25, 2006 file a report to the Commissioner in such form as the Commissioner may prescribe showing the snuff on hand at 12:01 a.m. o'clock on July 1, 2006, and the amount of tax due thereon. The tax imposed by this section shall be due and payable on or before August 25, 2006, and thereafter shall bear interest at the rate established under section 3108 of this title. In case of timely payment of the tax, the ~~retailer~~ retail dealer may deduct from the tax due two percent of the tax. Any snuff with respect to which a floor stock tax has been imposed and paid under this section shall not again be subject to tax under section 7811 of this title.

(b) Cigarettes, little cigars, or roll-your-own tobacco. Notwithstanding the prohibition against further tax on stamped cigarettes, little cigars, or roll-your-own tobacco under section 7771 of this title, a floor stock tax is hereby imposed upon every dealer of cigarettes, little cigars, or roll-your-own tobacco in this state who is either a ~~wholesaler~~ licensed wholesale dealer, or a ~~retailer~~ retail dealer who at 12:01 a.m. on July 1, 2011, has more than 10,000 cigarettes or little cigars or who has \$500.00 or more of wholesale value of roll-your-own tobacco, for retail sale in his or her possession or control. The amount of the tax shall be the amount by which the new tax exceeds the amount of the tax already paid for each cigarette, little cigar, or roll-your-own tobacco in the possession or control of the wholesaler or retailer at 12:01 a.m. on July 1, 2011, and on which cigarette stamps have been affixed before July 1, 2011. A floor stock tax is also imposed on each Vermont cigarette stamp in the possession or control of the wholesaler at 12:01 a.m. on July 1, 2011, and not yet affixed to a cigarette package, and the tax shall be at the rate of \$0.38 per stamp. Each ~~wholesaler~~ licensed wholesale dealer and ~~retailer~~ retail dealer subject to the tax shall, on or before July 25, 2011, file a report to the commissioner in such form as the Commissioner may prescribe showing the cigarettes, little cigars, or roll-your-own tobacco and stamps on hand at 12:01 a.m. on July 1, 2011, and the amount of tax due thereon. The tax imposed by this section shall be due and payable on or before July 25, 2011, and thereafter shall bear interest at the rate established under section 3108 of this title. In case of timely payment of the tax, the ~~wholesaler~~ licensed wholesale dealer or ~~retailer~~ retail dealer may deduct from the tax due two and three-tenths of one percent of the tax. Any cigarettes, little cigars, or roll-your-own tobacco with respect to which a floor stock tax has been imposed under this section shall not again be subject to tax under section 7771 of this title.

Sec. 25. 32 V.S.A. §7819 is amended to read:

### **§ 7819. Refunds**

Whenever any tobacco products upon which the tax has been paid have been sold and shipped into another state for sale or use there, or have become unfit for use and consumption or unsalable or have been destroyed, the licensed wholesale dealer shall be entitled to a refund of the actual amount of tax paid with respect thereto. If the commissioner is satisfied that any licensed wholesale dealer is entitled to a refund, he or she shall so certify to the commissioner of

finance and management who shall issue his or her warrant in favor of the licensed wholesale dealer entitled to receive such refund.

Sec. 26. 32 V.S.A. §7821 is amended to read:

**§ 7821. Criminal penalties**

Any ~~distributor or dealer~~ person who shall fail, neglect or refuse to comply with or shall violate the provisions of this chapter relating to the tax on tobacco products or the rules and regulations promulgated by the commissioner under this chapter relating to such tax shall be guilty of a misdemeanor and upon conviction for a first offense shall be sentenced to pay a fine of not more than \$250.00 or to be imprisoned for not more than 60 days, or both such fine and imprisonment in the discretion of the court; and for a second or subsequent offense shall be sentenced to pay a fine of not less than \$250.00 nor more than \$500.00, or be imprisoned for not more than six months, or both such fine and imprisonment in the discretion of the court. This section shall not apply to violations of sections 7731-7734 and 7776 of this title.

Sec. 27. 33 V.S.A. § 1916 is amended to read:

§1916. Definitions

As used in this subchapter:

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(4) "~~Distributor~~Wholesale dealer" shall have the same meaning as in 32 V.S.A. § 7702(4) (16).

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(10) "~~Stamping agent~~" shall mean a person or entity that is required to secure a license pursuant to 32 V.S.A. § 7731 or that is required to pay a tax on cigarettes imposed pursuant to 32 V.S.A. chapter 205.

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Sec. 28. 33 V.S.A. § 1917(a) is amended to read:

(a) Every tobacco product manufacturer whose cigarettes are sold in this State, whether directly or through a ~~distributor~~, licensed wholesale dealer, retailer, or similar intermediary or intermediaries, shall execute and deliver on a form prescribed by the Attorney General a certification to the Attorney General no later than April 30 each year certifying under penalty of perjury that, as of the date of such certification, such tobacco product manufacturer either is a participating manufacturer or is in full compliance with subchapter 1A of this chapter, including all quarterly installment payments required by section 1922 of this title.

Sec. 29. 33 V.S.A. § 1918(c) and (d) are amended to read:

(c) Unless otherwise provided by agreement between a ~~stamping agent~~ licensed wholesale dealer and a tobacco product manufacturer, a ~~stamping agent~~ licensed wholesale dealer shall be entitled to a refund from a tobacco product manufacturer for any money paid by the ~~stamping agent~~ licensed wholesale dealer to the tobacco product manufacturer for any cigarettes of that tobacco product manufacturer still in the possession of the stamping agent on the date of the Attorney General's removal from the directory of that tobacco product manufacturer or the individual styles or brands of cigarettes of that tobacco product manufacturer. Also, unless otherwise provided by agreement between a retail dealer and a ~~distributor~~ licensed wholesale dealer or a tobacco product manufacturer, a retail dealer shall be entitled to a refund from either a ~~distributor~~ licensed wholesale dealer or a tobacco product manufacturer for any money paid by the retail dealer to the ~~distributor~~ licensed wholesale dealer or tobacco product manufacturer for any cigarettes of that ~~distributor~~ licensed wholesale dealer or tobacco product manufacturer still in the possession of the retail dealer on the date of the attorney general's removal from the directory of that tobacco product manufacturer or the individual styles or brands of cigarettes of that tobacco product manufacturer. The Attorney General shall not restore to the directory a tobacco product manufacturer or any individual styles or brands or cigarettes or, if applicable, brand families of that tobacco product manufacturer until the tobacco product manufacturer has paid all stamping agents any refund due pursuant to this section.

(d) The Commissioner shall refund to a ~~retailer dealer or stamping agent~~ licensed wholesale dealer any tax paid under 32 V.S.A. chapter 205 on products no longer saleable in the State under this subchapter.

Sec. 30. 33 V.S.A. § 1921 is amended to read:

### **§ 1921. Reporting and sharing of information**

(a) At the date specified in 32 V.S.A. § 7785 or 7813, for monthly reports from licensed wholesale dealers ~~or distributors~~, or at such date and frequency as the Commissioner may require for other stamping agents, which will be at least quarterly, each ~~stamping agent~~ licensed wholesale dealer shall submit such information as the Commissioner requires to facilitate compliance with subchapter 1A of this chapter and this subchapter, including a list by brand family of the total number of cigarettes, or, in the case of roll-your-own tobacco, the equivalent stick count, as determined pursuant to the formula set forth in subchapter 1A of this chapter, for which the ~~stamping agent~~ licensed wholesale dealer affixed stamps during the reporting period or otherwise paid the tax due for such cigarettes. ~~Stamping agents~~ Licensed wholesale dealers shall maintain, and make available to the Commissioner, all documentation and other information relied upon in reporting to the Commissioner for a period of six years.

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(c) The Attorney General may require a ~~stamping agent~~ licensed wholesale dealer or tobacco product manufacturer to submit any additional information, including samples of the packaging

or labeling of each brand family, as is necessary to enable the Attorney General to determine whether a tobacco product manufacturer is in compliance with this subchapter and subchapter 1A of this chapter.

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\*\*\*solar tax\*\*\*

Sec. 31. 32 V.S.A. § 3802 is amended to read:

**§ 3802. Property tax**

The following property shall be exempt from taxation:

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(17) Real and personal property composing a renewable energy plant generating electricity from solar power, ~~to the extent the plant is exempt from taxation under chapter 215 of this title.~~

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Sec. 32. 32 V.S.A. § 3845 is amended to read:

**§ 3845. Alternate energy sources**

(a) At an annual or special meeting warned for that purpose, a town may, by a majority vote of those present and voting, exempt alternate energy sources, as defined herein, from real and personal property taxation. Such exemption shall first be applicable against the grand list of the year in which the vote is taken and shall continue until voted otherwise, in the same manner, by the town.

(b) For the purposes of this section alternate energy sources includes any plant, structure or facility used for the generation of electricity or production of energy used on the premises for private, domestic, or agricultural purposes, no part of which may be for sale or exchange to the public. The term shall include, but not be limited to grist mills, windmills, facilities for the ~~collection of solar energy~~ or the conversion of organic matter to methane, net metering systems regulated by the public service board under 30 V.S.A. § 219a, and all component parts thereof including excluding land upon which the facility is located, not to exceed one-half acre.

Sec. 33. 32 V.S.A. § 5401(10) is amended to read:

(10) "Nonresidential property" means all property except:

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(J) Buildings and fixtures of:

(i) wind-powered electric generating facilities taxed under section 5402c of this title;  
and

~~(ii) renewable energy plants generating electricity from solar power that are taxed under section 8701 of this title.~~

Sec. 34. 32 V.S.A. § 8701 is amended to read:

**§ 8701. Uniform capacity tax**

(a) As used in this section, the terms "kW," "plant," "plant capacity," and "renewable energy" shall be as defined in 30 V.S.A. § 8002; provided, however, that any tax or exemption under this chapter shall only apply to the fixtures and personal property of a plant, and not to the underlying land.

(b) There is assessed on any renewable energy plant in Vermont commissioned to generate solar power an annual tax of ~~\$4.00~~ 8.00 per kW plant capacity. The tax shall be paid to the Department of Taxes no later than April 15 of each year and accompanied by a return with such information as the Department of Taxes may require. The Department of Taxes shall deposit one-half of the taxes collected under this section into the Education Fund. Not later than May 15 in each year the State shall pay to each municipality in which a renewable energy plant taxed under this section is located fifty percent of that portion of the tax revenue which has been collected upon the plant in that municipality for the immediately preceding taxable year. The Department of Taxes may adopt procedures and rules necessary to implement the tax in this section.

(c) A renewable energy plant that generates electricity from solar power shall be exempt from taxation under this section if it has a plant capacity ~~equal to or~~ less than ~~40~~ 150 kW.

(d) The existence of a renewable energy plant subject to tax under subsection (b) of this section shall not alter the exempt status of any underlying property under section 3802 or 5401(10)(F) of this title.

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\*\*\*meals and rooms tax\*\*\*

Sec. 35. 32 V.S.A. § 9202(10)(D)(ii)(X) is amended to read:

(D) "Taxable meal" shall not include:

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(ii) Food or beverage, including that described in subdivision (10)(C) of this section:

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(X) purchased ~~with food stamps~~ under the USDA Supplemental Nutrition Assistance Program (SNAP) ;

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\*\*\*property transfer tax\*\*\*

Sec. 36. 32 V.S.A. §9608(a) is amended to read:

(a) Except as to transfers which are exempt pursuant to subdivision 9603(17) of this title, no town clerk shall record, or receive for recording, any deed to which is not attached a properly executed transfer tax return, complete and regular on its face, and a certificate in the form prescribed by the Natural Resources Board and the Commissioner of Taxes ~~signed under oath by the seller or the seller's legal representative,~~ that the conveyance of the real property and any development thereon by the seller is in compliance with or exempt from the provisions of 10 V.S.A. chapter 151. The certificate shall indicate whether or not the conveyance creates the partition or division of land. If the conveyance creates a partition or division of land, there shall be appended the current "Act 250 Disclosure Statement," required by 10 V.S.A. § 6007. A town clerk who violates this section shall be fined \$50.00 for the first such offense and \$100.00 for each subsequent offense. A person who purposely or knowingly falsifies any statement contained in the certificate required is punishable by fine of not more than \$500.00 or imprisonment for not more than one year, or both.

\*\*\*sales and use tax\*\*\*

Sec. 37. 32 V.S.A. § 9773 is amended to read:

### **§ 9773. Imposition of compensating use tax**

Unless property or telecommunications service has already been or will be subject to the sales tax under this chapter, there is imposed on every person a use tax at the rate of six percent for the use within this State, except as otherwise exempted under this chapter:

(1) Of any tangible personal property purchased at retail;

(2) Of any tangible personal property manufactured, processed, or assembled by the user, if items of the same kind of tangible personal property are offered for sale by him or her in the regular course of business, but the mere storage, keeping, retention, or withdrawal from storage of tangible personal property or the use for demonstrational or instructional purposes of tangible personal property by the person who manufactured, processed or assembled such property shall not be deemed a taxable use by him or her; and for purposes of this section only, the sale of electrical power generated by the taxpayer shall not be considered a sale by him or her in the

regular course of business if at least 60 percent of the electrical power generated annually by the taxpayer is used by the taxpayer in his or her trade or business;

(3) Of any tangible personal property, however acquired, where not acquired for purposes of resale, upon which any taxable services described in subdivision 9771(3) of this title have been performed; ~~and~~

(4) Specified digital products transferred electronically to an end user; and

(5) Telecommunications service except coin-operated telephone service, private telephone service, paging service, private communications service, or value-added non-voice data service.

\*\*\*health care claims tax\*\*\*

Sec. 38. 32 V.S.A. §10402 is amended to read:

**§ 10402. Health care claims tax**

(a) There is imposed on every health insurer an annual tax in an amount equal to ~~0.999 of one~~ 1.799 percent of all health insurance claims paid by the health insurer for its Vermont members in the previous fiscal year ending June 30. The annual fee shall be paid to the Commissioner of Taxes in one installment due by January 1.

(b) Revenues paid and collected under this chapter shall be deposited as follows:

(1) 0.199 of one percent of all health insurance claims into the Health IT-Fund established in section 10301 of this title; and

(2) ~~0.8 of one~~ 1.6 percent of all health insurance claims into the State Health Care Resources Fund established in 33 V.S.A. § 1901d.

\*\*\*

Sec. 39. Sec. 53 of No. 73 of the Acts of 2013 is amended to read:

Sec. 53. 32 V.S.A. § 10402 is amended to read:

**§ 10402. Health care claims tax**

(a) There is imposed on every health insurer an annual tax in an amount equal to ~~0.8 of one~~ 1.6 percent of all health insurance claims paid by the health insurer for its Vermont members in the previous fiscal year ending June 30. The annual fee shall be paid to the Commissioner of Taxes in one installment due by January 1.

(b) Revenues paid and collected under this chapter shall be deposited into the State Health Care Resources Fund established in 33 V.S.A. § 1901d.

#### Sec. 40. EFFECTIVE DATES

This act shall take effect upon passage except:

(1) Sec. 2 (repeal) shall take effect retroactively on January 1, 2014.

(2) Secs. 3 (town voted exemption) and 4 (education property tax exemption) shall take effect on January 1, 2015 and apply to property appearing on grand lists lodged in 2015 and after.

(3) Sec. 6 (last date for filing declaration) shall take effect on July 1, 2014 and apply to property appearing on grand lists lodged in 2014 and after.

(4) Sec. 7 (corrected tax bills due to late filing of declaration) shall take effect on July 1, 2014 and apply to property appearing on grand lists lodged in 2014 and after.

(5) Sec. 8 (1099K filing requirement) shall take effect for tax year 2014 and after.

(6) Sec. 9 (use tax reporting) shall take effect for tax year 2014 and after.

(7) Sec. 11 (consolidated filing election ) shall take effect for tax years beginning on and after January 1, 2014.

(8) Sec. 12 (VEGI) shall apply to claim years beginning on and after January 1, 2014.

(9) Sec. 13 (downtown credits) shall apply to fiscal year 2015 and after.

(10) Sec. 15 (corrected tax bills due to late filing of property tax adjustment claim) shall take effect on July 1, 2014 and apply to property appearing on grand lists lodged in 2014 and after.

(11) Sec. 31 – 33 (solar plant exemptions) shall take effect on January 1, 2015 and apply to property appearing on grand lists lodged in 2015 and after.

(12) Sec. 34 (uniform capacity tax) shall take effect January 1, 2015.

(12) Sec. 35 (telecommunications use tax) shall take effect with respect to uses on and after July 1, 2014.



(13) Sec. 38 (health care claims tax rate and deposit to State Health Care Resources Fund) shall take effect July 1, 2014).

(14) Sec. 39. (health care claims tax rate) shall take effect July 1, 2017, which is the effective date of 2013, No. 73, Sec. 53.

Department of Taxes  
January 15, 2016